

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 22, 1996

SUBJECT: **SB 2099 - HB 2100**

This bill, if enacted, will exempt the purchase of items for resale by schools and school support groups from the sales tax and makes taxable the resale of such items. Current law requires sales tax to be paid on the items purchased by schools and school support groups for resale and no tax to be paid when the items are sold by the school or school support group. The effect of the bill is to shift the tax from the school or school support group to the consumer.

The fiscal impact from enactment of this bill is estimated to be an increase in state and local government sales tax revenues since sales tax will be paid on the retail price of the item rather than the wholesale price, as is currently the case. Such increase cannot be determined but is estimated to exceed \$1,500,000 in state revenues and \$500,000 in local government revenues.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director